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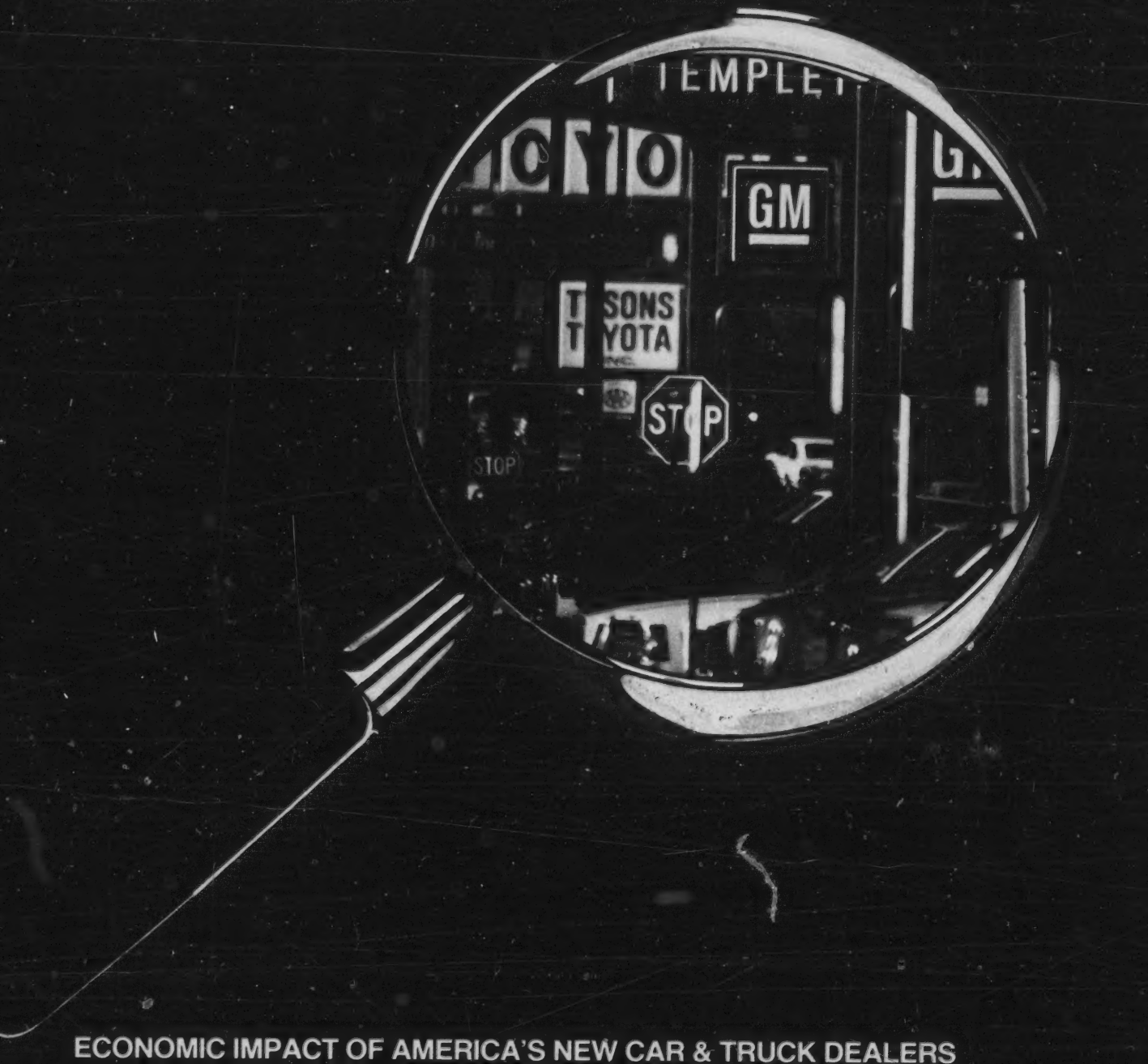
NADA DATA FOR 1983



ECONOMIC IMPACT OF AMERICA'S NEW CAR & TRUCK DEALERS

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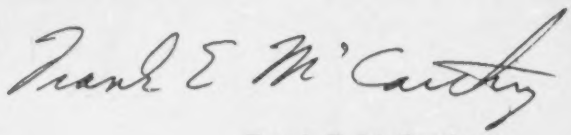
Introduction

The motor vehicle retailing industry suffered greatly during the economic decline of 1979-1982. During that three year period, there was a net loss of 4,125 franchised new car dealerships and the total employment level of franchised dealerships was reduced by 163,800 persons. Total new unit sales have fallen from 15.4 million in 1978 to 10.5 million in 1982—a decline of 32%. Franchised dealership net profit in constant dollars from 1979 to 1982 averaged less than half of that achieved in 1978.

Franchised dealers still have a major impact on local and national economies. Dealers are local businessmen headquartered in almost every community throughout the nation. The dealer provides his community with the sale of new and used vehicles as well as service and parts. The dealer generates considerable income in his community directly through employment and indirectly through the purchase of goods and services necessary for the operation of his dealership.

In 1982, the total dollar sales of all franchised new car dealerships reached a record $143.9 billion. This represented 13.4% of total retail trade within the United States. The nation's 24,725 franchised dealers employed 695,700 persons and had a total payroll of $11.2 billion in 1982. These and other figures in this booklet give an indication as to the importance of America's franchised dealers. Dealers are optimistic concerning the future. As shown in this booklet, the NADA Dealer Optimism Index exhibited a sharp rise in the January, 1983, survey. If this optimism proves justified, it will mean that the year ahead will be one of significant improvement for franchised dealers and, hence, the U.S. economy.



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NADA DATA is prepared by the Industry Analysis Department. If you need further information or if you would like to order additional copies at $4.00 each, please call (703) 821-7201.

Average Dealer Profile

Total Dealership Sales

The total dollar sales of all franchised new car dealerships reached a record $143.9 billion in 1982, up 5% from 1981. The percentage increase in dollar sales for the average dealership was higher (9%), because of the net loss of 975 dealerships during the year. Virtually all of the dollar sales increase in 1982 was a result of the increased price of goods and services sold. In terms of unit measurements, the average dealership had a less than two percent increase in new vehicle sales, a less than one percent increase in used vehicle sales, and a near three percent decline in the number of repair orders written.

The relative share of total dealership sales accounted for by each department changed only slightly from 1981 to 1982. Compared to 1978 (the peak year for new vehicle sales), we can see that the new vehicle department's share of total sales has declined by 2.7 percentage points and that this loss has been picked up by both the used vehicle department and the service and parts department.

Total Expense

Although total sales for the average dealership have increased 25% over the past two years, total expenses have increased only 7%. Employee compensation expenditures have contributed greatly to total dealership expense control efforts in recent years. Although average compensation per employee in 1982 was 13% higher than in 1979, dealerships employed 19% fewer employees and, thus, the total payroll for all dealerships was 8.4% lower in 1982 than in 1979.

Total Profits

Although average dealership pre-tax profits in 1982 were higher than at any time since 1978, profits were still only a slim 1.3% of total dealership sales. Net profit as a percent of net worth was also at its highest level since 1978.

In constant dollars, total pre-tax net profit for the average dealership was significantly less than even its depressed level of 1979 and substantially less than during the expansionary years of 1976-1978.

AVERAGE DEALERSHIP PROFILE

	1976	1977	1978	1979	1980	1981	1982	% Change 1981-82
Total Dealership Sales	$3,601,541	$4,195,628	$4,660,259	$4,874,816	$4,549,754	$5,223,595	$5,708,280	9.28%
Total Dealership Gross	$549,595	$591,584	$668,281	$706,361	$699,297	$772,570	$792,309	2.56%
As % of Total Sales	15.26%	14.10%	14.34%	14.49%	15.37%	14.79%	13.88%	
Total Dealership Expense	$476,484	$509,769	$576,940	$644,938	$671,544	$711,976	$718,102	0.86%
As % of Total Sales	13.23%	12.15%	12.38%	13.23%	14.76%	13.63%	12.58%	
Net Profit Before Taxes	$73,111	$81,815	$91,341	$61,423	$27,753	$60,594	$74,208	22.47%
As % of Total Sales	2.03%	1.95%	1.96%	1.26%	0.61%	1.16%	1.30%	
(Net Pre-tax Profit in Constant '67 Dollars)	$42,881	$45,077	$46,736	$28,248	$11,245	$22,248	$25,667	15.37%
New Vehicle Dept. Sales	$2,243,760	$2,681,006	$2,987,226	$3,095,508	$2,802,648	$3,191,617	$3,504,884	9.82%
As % of Total Sales	62.30%	63.90%	64.10%	63.50%	61.60%	61.10%	61.40	
Used Vehicle Dept. Sales	$785,136	$876,886	$973,994	$989,588	$955,448	$1,196,203	$1,301,488	8.80%
As % of Total Sales	21.80%	20.90%	20.90%	20.30%	21.00%	22.90%	22.80%	
Service and Parts Sales	$572,645	$637,735	$699,039	$789,720	$791,657	$835,775	$901,908	7.91%
As % of Total Sales	15.90%	15.20%	15.00%	16.20%	17.40%	16.00%	15.80%	
New Vehicles Average Selling Price	$5,470	$6,120	$6,470	$6,950	$7,530	$8,850	$9,910	11.98%
Average Net Worth (As of 12/31)	$305,993	$325,495	$348,822	$387,197	$362,242	$364,014	$392,052	7.70%
Net Profit as % of Net Worth	23.89%	25.14%	26.19%	15.86%	7.66%	16.65%	18.93%	

Source: NADA Industry Analysis Department

NADA Optimism Index

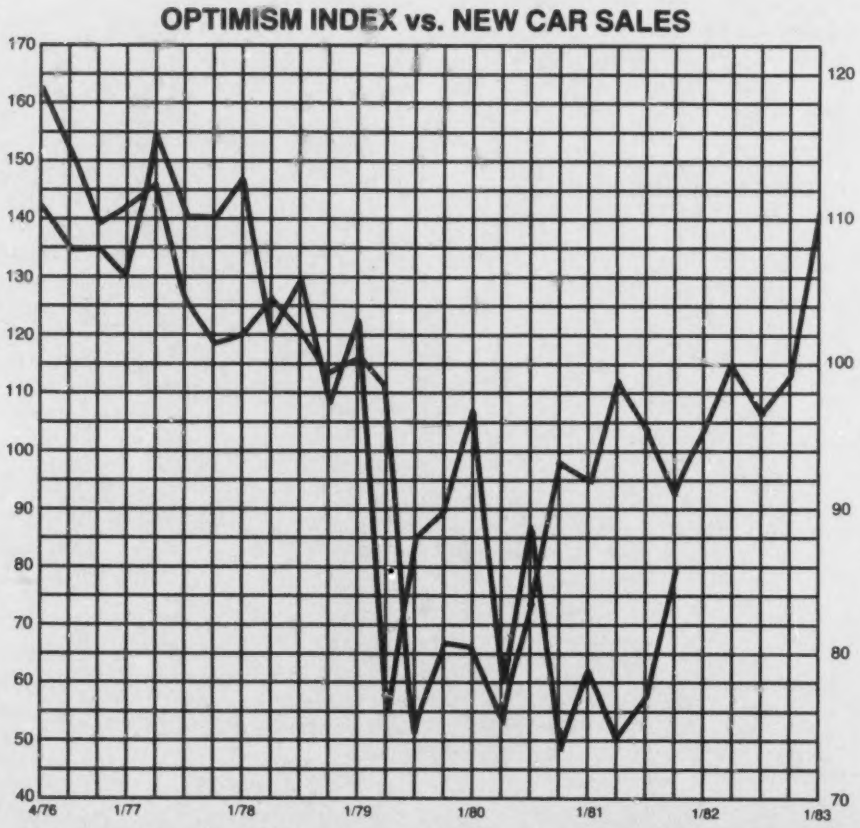
For the past six and a half years, NADA's Industry Analysis Department has conducted a quarterly survey of the profit expectations of new car and truck dealers for the succeeding twelve months. The survey results have closely matched dealers' actual profit experience and also serve as a barometer of national economic trends.

At the beginning of 1983, dealers expressed greater optimism than at any time in nearly six years. In January of 1983, the Optimism Index reached a level of 141—a full 38 points above the January, 1982 level. This increase in optimism is very encouraging news because, as can be seen in the charts below, dealers have been quite prescient with respect to turning points in the national economy and new car sales.

Throughout 1981 and 1982 when many industry analysts were constantly predicting an imminent turnaround in new vehicle sales, dealers showed no significant increase in optimism. In retrospect it can be noted that the low level of dealer optimism was well-founded. The most recent increase in optimism indicates that dealers expect vehicle sales, and hence dealership profits, to improve in the latter part of 1983 and beyond.

Expectations for Dealership Profits

	Percent of Dealers Expecting Profits to:			
	INCREASE	NO CHANGE	DECLINE	INDEX VALUE
1/78	32.5	51.9	15.6	120
4/78	35.4	51.2	13.4	126
7/78	31.9	53.6	14.5	121
10/78	27.7	56.1	16.2	114
1/79	30.2	52.3	17.5	116
4/79	29.1	50.5	20.4	112
7/79	13.6	36.3	50.1	52
10/79	16.9	42.4	40.7	67
1/80	17.9	40.5	41.6	66
4/80	9.2	25.4	65.3	54
7/80	23.0	40.0	37.1	74
10/80	26.5	43.3	30.3	98
1/81	25.5	48.4	26.1	95
4/81	30.0	51.5	18.6	111
7/81	27.0	52.5	20.5	104
10/81	22.1	50.2	27.7	92
1/82	27.6	48.8	23.6	103
4/82	33.4	47.4	19.2	115
7/82	27.1	51.7	21.2	106
10/82	32.2	49.0	18.8	113
1/83	46.8	44.8	8.4	141



Number of Franchised New Car Dealerships

On January 1, 1983, there were an estimated 24,725 franchised new car dealerships in operation. As shown in the chart to the right, the annual rate of dealership attrition during the 1979-1982 sales downturn was substantially higher than during previous recessions. During the past four calendar years there has been a net loss of 4,125 dealerships—a decline of 14%. A net loss of 975 dealerships was recorded during the calendar year 1982.

The following explicatory notes are needed to interpret the breakdown of dealerships by category as presented in the table to the right.

- Starting in 1982, Volkswagen dealers have been classified as domestic dealers. (The majority of Volkswagens sold in the U.S. are produced in the U.S.)
- Starting in 1983, AMC-Renault dealerships have been classified as "handling domestic makes only." (Renault owns controlling interest in AMC, but Renault's largest seller, the Alliance, is built in the U.S.)
- In 1982, a large drop in the category entitled "handling both domestic and import makes" occurred because of the discontinuance of Ford's captive import, the Fiesta. Of the 7,000 dealers in this category in 1983, approximately 3,650 represent Chrysler dealers who sell their captive import line. The remaining 3,350 dealers in this category represent domestic dealers dualled with a non-captive import.
- There is a growing trend for one dealer principal to operate, or have a financial interest in, more than one dealership. In such instances, each dealership has been counted once and placed in the category appropriate for the make(s) it handles. (Recent NADA surveys indicate that 12% of all dealers have a financial interest in more than one dealership.)
- Of the total 24,725 new "car" dealerships, approximately two-thirds sell or have the right to sell their manufacturer's light-duty truck models.

Estimated Number of Franchised New Car Dealerships

(As of the Beginning of the Year)

Year	Total	Handling Domestic Makes Only	Handling Both Domestic and Imported Makes	Handling Imported Makes Only
1974	30,000	18,700	6,600	4,700
1975	29,600	18,500	6,500	4,600
1976	29,300	18,900	5,600	4,800
1977	29,100	17,700	6,900	4,500
1978	29,000	11,600	12,700	4,500
1979	28,850	11,650	12,700	4,500
1980	28,250	11,600	12,100	4,550
1981	26,600	10,000	12,050	4,550
1982	25,700	14,450	7,250	4,000
1983	24,725	13,775	7,000	3,950

Source: NADA Industry Analysis Department

Estimated Number of Franchised New Car Dealerships

By State As of January 1, 1983

Alabama	346	Montana	196
Alaska	25	Nebraska	328
Arizona	193	Nevada	78
Arkansas	335	New Hampshire	162
California	1,775	New Jersey	737
Colorado	284	New Mexico	149
Connecticut	355	New York	1,396
Delaware	64	North Carolina	699
D.C.	9	North Dakota	217
Florida	715	Ohio	1,165
Georgia	593	Oklahoma	457
Hawaii	45	Oregon	313
Idaho	167	Pennsylvania	1,605
Illinois	1,260	Rhode Island	90
Indiana	650	South Carolina	308
Iowa	628	South Dakota	191
Kansas	449	Tennessee	451
Kentucky	370	Texas	1,505
Louisiana	375	Utah	155
Maine	194	Vermont	112
Maryland	345	Virginia	569
Massachusetts	575	Washington	386
Michigan	937	West Virginia	290
Minnesota	602	Wisconsin	784
Mississippi	336	Wyoming	100
Missouri	655	**TOTAL U.S.**	**24,725**

Source: NADA Industry Analysis Department

Total Dealership Sales Dollars

The total dollar sales of all franchised new car dealerships reached a record $143.9 billion in 1982, up 5% from 1981. The percentage increase in dollar sales for the average dealership was higher (9%), because of the net loss of 975 dealerships during the year.

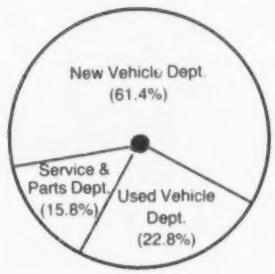
The relative share of total dealership sales accounted for by each department changed only slightly from 1981 to 1982. Compared to 1978 (the peak year for new vehicle sales), the new vehicle department's share of total sales has declined by 2.7 percentage points and this loss has been picked up almost equally by the used vehicle and service and parts department.

Total Sales of Franchised New Car Dealers

Year	All Dealers (Billions of Dollars)	Average Per Dealer (Thousands of dollars)
1972	$ 72.0	$2,393
1973	83.5	2,780
1974	76.3	2,559
1975	84.2	2,860
1976	105.2	3,602
1977	121.9	4,196
1978	134.8	4,660
1979	139.2	4,875
1980	124.8	4,550
1981	136.6	5,224
1982	143.9	5,708

Source: U.S. Department of Commerce and NADA Industry Analysis Dept.

SHARE OF TOTAL DEALERSHIP SALES DOLLARS
(By Department)
1982



1982 TOTAL SALES BY STATE

STATE	All Dealers ($Millions)	Average Per Dealer ($Thousands)	STATE	All Dealers ($Millions)	Average Per Dealer ($Thousands)
Alabama	$ 1,873	$ 5,413	Montana	$ 556	$ 2,838
Alaska	262	10,480	Nebraska	961	2,929
Arizona	1,747	9,054	Nevada	625	8,008
Arkansas	1,517	4,527	New Hampshire	929	5,735
California	16,259	9,160	New Jersey	4,489	6,091
Colorado	2,312	8,141	New Mexico	938	6,294
Connecticut	1,873	5,276	New York	8,096	5,799
Delaware	415	6,479	North Carolina	3,331	4,765
D.C.	116	12,889	North Dakota	586	2,699
Florida	8,586	12,008	Ohio	6,146	5,276
Georgia	3,086	5,204	Oklahoma	2,119	4,637
Hawaii	506	11,248	Oregon	1,652	5,279
Idaho	604	3,617	Pennsylvania	6,746	4,203
Illinois	7,161	5,683	Rhode Island	412	4,578
Indiana	3,121	4,802	South Carolina	1,542	5,005
Iowa	1,770	2,819	South Dakota	422	2,208
Kansas	1,601	3,565	Tennessee	2,895	6,420
Kentucky	1,769	4,781	Texas	12,487	8,297
Louisiana	2,915	7,772	Utah	884	5,702
Maine	748	3,856	Vermont	375	3,349
Maryland	3,053	8,849	Virginia	3,643	6,402
Massachusetts	3,829	6,659	Washington	2,113	5,474
Michigan	5,880	6,275	West Virginia	1,100	3,793
Minnesota	2,753	4,573	Wisconsin	2,528	3,225
Mississippi	1,191	3,545	Wyoming	389	3,890
Missouri	3,011	4,597	**TOTAL U.S.**	**143,920**	**5,708**

Relationship of Franchised New Car Dealers to Total Retail Trade

	Number of Dealers as % of Total Retail Establishments in the State	Dealer Sales as % of Total Retail Sales in the State	Dealer Payroll as % of Total Retail Payroll in the State	Dealer Employees as % of Total Retail Employment in the State		Number of Dealers as % of Total Retail Establishments in the State	Dealer Sales as % of Total Retail Sales in the State	Dealer Payroll as % of Total Retail Payroll in the State	Dealer Employees as % of Total Retail Employment in the State
Alabama	1.8	13.1	9.7	4.7	Montana	3.4	14.8	10.5	6.3
Alaska	1.2	11.9	5.9	3.7	Nebraska	3.1	12.7	9.2	5.0
Arizona	1.4	12.6	9.1	4.5	Nevada	1.6	12.2	10.1	4.4
Arkansas	2.6	16.4	8.9	5.4	New Hampshire	2.8	19.8	10.0	6.6
California	1.4	12.6	9.2	4.4	New Jersey	1.9	11.9	7.8	4.2
Colorado	1.6	14.6	9.9	4.6	New Mexico	2.0	16.8	10.4	5.8
Connecticut	2.0	12.3	8.4	4.6	New York	1.5	10.9	6.0	3.6
Delaware	1.8	14.5	8.1	4.6	North Carolina	2.2	13.7	9.0	5.0
Dist. of Columbia	0.3	3.3	2.2	1.3	North Dakota	4.5	19.1	12.8	7.4
Florida	1.2	16.4	9.2	4.7	Ohio	2.1	12.9	7.7	4.2
Georgia	2.0	12.6	8.4	4.6	Oklahoma	2.7	14.1	9.9	5.1
Hawaii	0.8	10.1	6.1	3.0	Oregon	2.0	11.8	9.1	4.7
Idaho	3.0	15.3	10.8	6.3	Pennsylvania	2.6	13.3	8.6	5.0
Illinois	2.3	13.7	7.5	3.8	Rhode Island	1.7	10.2	6.5	3.5
Indiana	2.2	12.4	8.7	4.2	South Carolina	1.9	12.8	8.9	4.6
Iowa	3.3	13.5	9.6	4.9	South Dakota	3.9	14.3	11.0	5.7
Kansas	3.0	14.3	10.1	5.3	Tennessee	1.9	14.7	9.4	4.9
Kentucky	2.0	12.1	8.6	4.5	Texas	1.9	15.1	9.1	4.8
Louisiana	1.8	15.8	10.3	5.4	Utah	2.2	13.4	9.1	5.0
Maine	2.9	15.6	9.1	6.1	Vermont	3.1	15.9	10.2	6.4
Maryland	1.7	15.3	8.6	4.9	Virginia	2.2	13.6	10.1	5.6
Massachusetts	1.8	12.9	7.1	4.2	Washington	1.8	10.1	8.1	4.1
Michigan	2.1	14.9	8.8	4.4	West Virginia	3.2	14.8	10.7	6.6
Minnesota	2.6	13.7	8.3	4.3	Wisconsin	2.8	12.9	8.8	4.3
Mississippi	2.6	13.3	10.3	5.5	Wyoming	3.1	14.5	10.7	6.1
Missouri	2.4	12.5	8.5	4.3	**TOTAL**	**2.0**	**13.4**	**8.6**	**4.6**

Source: NADA Industry Analysis Department

The New Vehicle Department

In 1982, total new car sales declined for the fourth consecutive year and reached their lowest level since 1963. Domestic new car sales fell 7.2% and were a full 38% below their 1978 level. Import new car sales fell 4.5% to their lowest level since 1978, but because of the larger drop in domestic new car sales imports captured a record 27.9% of the total market in 1982.

For the sixth consecutive year, as shown in the market penetration chart below, imports other than Datsun, Honda, and Toyota captured a growing share of the new car market. These "other imports" now represent nearly 10% of the total market.

New Passenger Car Sales
Annual Totals

Year	Total Cars	Domestic Cars	Imported Cars	Imported Cars As a % of Total Sales	Small Cars As a % of Total Sales
1973	11,435,847	9,669,689	1,766,158	15.4%	39.0%
1974	8,852,768	7,448,921	1,403,847	15.9%	44.0%
1975	8,632,952	7,050,120	1,582,832	18.3%	51.3%
1976	10,105,750	8,606,573	1,499,177	14.8%	46.8%
1977	11,178,844	9,104,454	2,074,390	18.6%	47.0%
1978	11,310,411	9,307,998	2,002,413	17.7%	48.1%
1979	10,660,351	8,328,055	2,332,296	21.9%	56.6%
1980	8,978,584	6,578,242	2,400,332	26.7%	64.0%
1981	8,533,135	6,205,856	2,327,279	27.3%	65.2%
1982	7,978,872	5,756,658	2,222,214	27.9%	63.5%
Average 73-82	9,766,751	7,805,658	1,961,094	20.1%	52.6%

Market Penetration
Share of Total U.S. New Car Sales

Year	AMC	Chrysler	Ford	General Motors	Volkswagen	Datsun	Honda	Toyota	Other Imports	Total
1972	312,271 2.85%	1,517,610 13.88%	2,667,794 24.39%	4,823,827 44.10%	485,645 4.44%	187,513 1.71%	20,500 0.19%	295,915 2.71%	626,623 5.73%	10,937,698
1973	395,831 3.46%	1,528,540 13.37%	2,672,022 23.37%	5,073,296 44.36%	476,048 4.16%	231,191 2.02%	38,957 0.34%	289,378 2.53%	730,584 6.39%	11,435,847
1974	335,093 3.79%	1,203,636 13.60%	2,214,658 25.02%	3,695,534 41.74%	334,423 3.78%	185,162 2.09%	41,719 0.47%	238,135 2.69%	604,408 6.83%	8,852,768
1975	322,272 3.73%	997,116 11.55%	1,983,723 22.98%	3,747,009 43.40%	267,730 3.10%	259,842 3.01%	102,389 1.19%	287,103 3.33%	665,768 7.71%	8,632,952
1976	247,640 2.45%	1,301,940 12.88%	2,256,277 22.33%	4,800,716 47.50%	201,760 2.00%	270,103 2.67%	150,929 1.49%	346,900 3.43%	529,485 5.24%	10,105,750
1977	184,361 1.65%	1,219,752 10.91%	2,552,210 22.83%	5,148,131 46.05%	262,932 2.35%	388,383 3.47%	223,633 2.00%	493,048 4.41%	706,394 6.32%	11,178,844
1978	170,739 1.51%	1,146,258 10.13%	2,582,702 22.83%	5,385,282 47.61%	242,241 2.14%	339,364 3.00%	274,876 2.43%	441,800 3.91%	727,149 6.43%	11,310,411
1979	162,057 1.52%	942,205 8.84%	2,140,368 20.08%	4,917,911 46.13%	295,293 2.77%	472,252 4.43%	353,291 3.31%	507,816 4.76%	869,158 8.15%	10,660,351
1980	149,438 1.66%	660,017 7.35%	1,475,231 16.43%	4,116,482 45.85%	269,466 3.00%	516,890 5.76%	375,388 4.18%	582,195 6.48%	833,477 9.28%	8,978,584
1981	136,682 1.60%	729,873 8.55%	1,380,600 16.18%	3,796,696 44.49%	244,910 2.87%	464,806 5.45%	370,705 4.34%	576,491 6.76%	832,372 9.75%	8,533,135
1982	112,433 1.41%	691,703 8.67%	1,345,698 16.87%	3,515,660 44.06%	159,137 1.99%	470,246 5.89%	365,865 4.59%	530,246 6.65%	787,884 9.87%	7,978,872
Average 1973-1982	221,655 2.27%	1,042,104 10.67%	2,060,349 21.10%	4,419,672 45.25%	275,394 2.82%	359,824 3.68%	229,775 2.35%	429,311 4.40%	728,668 7.46%	9,766,751

Source: Ward's Automotive Reports

The average number of new cars sold per dealership has also declined for four consecutive years. The average selling price per new vehicle rose 12% in 1982 after rising at a 17.5% rate in 1981. In spite of the large increases recently, the average selling price per new vehicle sold has risen less than the overall rate of inflation since 1955. Much of the recent increase in new vehicle prices has been in imported cars. A separate series on new car selling prices developed by the Department of Commerce shows that since 1980 import car prices have risen 35% whereas domestic car prices have risen 26%. As a result, according to the Department of Commerce series, the average price of an imported car was 3% higher than that of the average domestic car in 1982.

As shown in the new car sales by month chart, the seasonally adjusted annual rate of new car sales exceeded 9.0 million units only once in 1982 (during November). Domestic manufacturers had extensive incentive programs in effect during November of 1982 in order to clear out the left over 1982 models.

In spite of the drop in the number of domestic cars held in dealer inventories, the average days supply still remains relatively high. The level of new car inventories and the rate at which it turns is extremely important to franchised dealers because they must finance their inventories at interest rates that are usually tied to, and exceed, the prime interest rate.

New Car Sales by Month
Seasonally Adjusted Annual Rate

	1982 Actual	1982 SAAR* (in millions)	1981 Actual	1981 SAAR* (in millions)	% Change 1981-1982
January	534,600	7.9	647,500	9.6	−17.4%
February	632,300	8.4	764,000	10.4	−17.2%
March	776,900	7.7	962,700	10.3	−19.3%
April	668,700	7.3	751,400	8.1	−11.0%
May	773,900	8.2	734,200	7.9	+ 5.4%
June	650,600	7.0	723,800	7.5	−10.1%
July	629,400	7.4	706,500	8.2	−10.9%
August	609,000	7.6	800,800	10.4	−24.0%
September	671,200	8.3	686,500	8.8	− 2.2%
October	656,600	7.9	647,700	7.2	+ 1.4%
November	743,500	9.4	584,800	7.6	+27.1%
December	632,200	8.7	523,100	7.2	+20.9%
Full Year	7,978,900	8.0	8,533,000	8.5	−6.5%

*Seasonally Adjusted Annual Rate

Average Number of New Cars Sold per Dealer and Average Selling Price per Vehicle

Year	New Cars Sold	Average Vehicle Selling Price
1972	363	$3,690
1973	381	$3,930
1974	300	$4,390
1975	295	$4,750
1976	346	$5,470
1977	385	$6,120
1978	391	$6,470
1979	373	$6,950
1980	327	$7,530
1981	326	$8,850
1982	316	$9,910

SOURCE: NADA Industry Analysis Department

New Car Inventories & Days Supplies
(Yearly Average)

	Domestic		Import	
	Inventory	Days Supply	Inventory	Days Supply
1973	1,576,000	51	N.A.	N.A.
1974	1,605,000	68	477,100	104
1975	1,514,000	67	406,700	80
1976	1,465,000	55	536,000	111
1977	1,682,000	58	430,700	64
1978	1,804,000	61	606,900	93
1979	1,891,000	70	502,200	63
1980	1,506,000	71	458,100	55
1981	1,457,000	74	427,300	52
1982	1,296,000	71	380,800	54

N.A.—Not available

Source: Ward's Automotive Reports

The Used Vehicle Department

In 1982, the used vehicle department accounted for over twenty-two percent of the average dealership's total sales volume. The used vehicle department is different than new vehicles in that franchised dealers represent only one segment of a selling market that also includes used car dealers and private transactions. Estimates of the percent of the retail used vehicle market currently accounted for by each type of seller are—franchised new car dealers 32%, independent used car dealers 14%, and private transactions 54%. Historically, an increasing share of the market has been accounted for by private transactions. Government figures indicate that private transactions represented only 43% of the retail used vehicle market in 1973.

Franchised dealers obtain used vehicles from five major sources. NADA surveys indicate that the source of used cars retailed by franchised dealers during 1982 were as follows:

trade-in on new vehicles	55%
trade-in on used vehicle	22%
street purchase	14%
auction purchase	6%
company vehicle	3%

Used Vehicles Sales by Franchised New Car Dealers
(In Thousands)

Year	Retail	Wholesale	Total
1973	9,942	2,333	12,275
1974	8,625	2,023	10,648
1975	9,137	2,144	11,281
1976	10,035	2,478	12,513
1977	10,097	2,847	12,944
1978	9,903	3,127	13,030
1979	8,804	2,810	11,614
1980	7,818	2,469	10,287
1981	8,178	2,582	10,760
1982	7,959	2,500	10,459
Average '73-'82	9,050	2,531	11,581

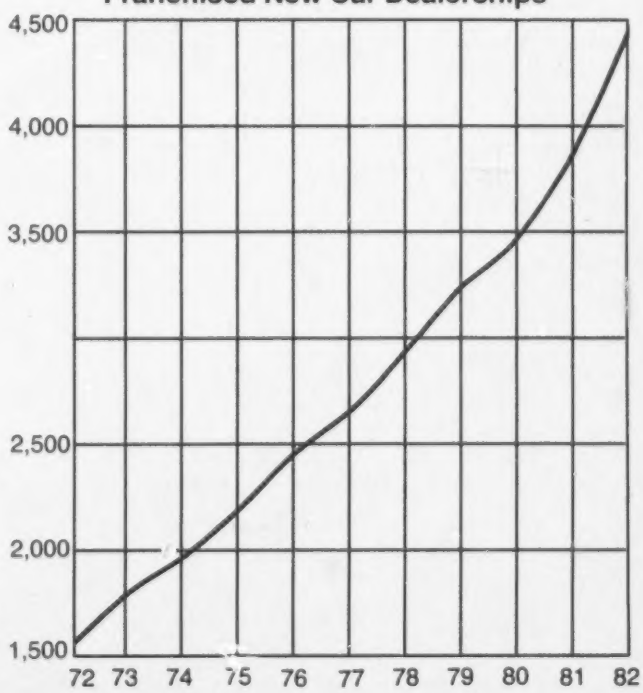
SOURCE: NADA Industry Analysis Department

Average Selling Price of Used Cars Retailed by Franchised New Car Dealers

1972	$1,600
1973	1,710
1974	1,850
1975	2,200
1976	2,400
1977	2,690
1978	2,930
1979	3,200
1980	3,380
1981	3,970
1982	4,440

SOURCE: NADA Industry Anaylsis Department

Average Selling Price Used Cars Retailed by Franchised New Car Dealerships



The Service and Parts Departments

In 1982, the service and parts market was approximately $77 billion. Approximately, $26 billion was spent on service labor, $37 billion on parts and accessories, and $14 billion on tires.

Presented below is a breakdown of service and parts sales by type of outlet for 1977 through 1982. The breakdown does not include the do-it-yourself share of the market, which is currently estimated to be around $10 billion. The data show that franchised new car dealerships accounted for 30% of total service and parts sales in 1982, even though they accounted for only 8% of total auto repair facilities. This disproportionate market share reflects the dealer's propensity to do more difficult and more expensive repairs, as well as the fact that new car dealerships have larger facilities on average.

The final chart on this page breaks down franchised dealership sales by type of work. Due to the prolonged downturn in new car sales, warranty work continued to take a smaller share of total service and parts sales in 1982. Warranty work accounted for 10.8% of total franchised dealership service and parts sales in 1982 versus percentages of 11.0% and 11.2% in 1981 and 1980, respectively.

The average customer mechanical labor rate charged by franchised new car dealerships in 1982 was $25. This rate varied widely, of course, depending upon the geographic location and primary make of the dealership.

Number of Auto Repair Facilities 1982

Franchised New Car Dealerships	24,725
Auto Repair Shops*	177,000
TBA Dealers	20,000
Service Stations†	72,000
Mass Merchandisers	3,100
All Other	1,350
Total	**298,175**

*Includes independent and franchised repair shops

†Includes only those outlets that perform "significant" repair work. (i.e., those establishments that perform work beyond simple oil changes or lube jobs and/or those establishments that receive at least 2% of total dollar revenue from service labor.

Source: NADA Industry Analysis Department

Total Service and Parts Market (Billions of Dollars)

	1977	1978	1979	1980	1981	1982
Franchised New Car Dealerships	$18.5	$20.2	$22.5	$21.7	$21.9	$22.7
Auto Repair Shops*	13.4	15.2	17.7	18.7	19.8	20.8
Tire, Battery, and Accessory Dealers	10.5	11.4	13.0	14.4	15.8	17.1
Gasoline Service Stations	5.1	5.5	5.9	6.6	6.8	7.2
Mass Merchandisers	4.9	5.6	6.0	6.2	6.8	7.0
All Others**	1.5	1.7	1.8	1.8	1.9	2.0
Total	**53.9**	**59.6**	**66.9**	**69.4**	**73.0**	**76.8**

*Includes independent and franchised repair shops.

**Includes non-franchised dealers, farm equipment dealers, and fleet shops.

Note: Revenue for each type of repair facility includes tire sales.

Source: NADA Industry Analysis Department and U.S. Bureau of Census.

Franchised New Car Dealer Service and Parts (Millions of Dollars)

Service Labor Sales	1981	1982	Percent Change
Customer Mechanical	3,698	3,759	1.66
Customer Body	1,683	1,696	0.75
Warranty	1,242	1,168	-5.92
Sublet	745	782	4.95
Internal	1,242	1,291	3.94
Other	589	725	2.42
Total Service Labor	9,198	9,421	2.42
Parts Sales			
Customer Mechanical	2,629	2,709	3.04
Customer Body	1,626	1,687	3.73
Wholesale	4,103	4,462	8.76
Counter	1,080	1,089	0.86
Warranty	1,169	1,275	9.10
Internal	1,308	1,275	-2.52
Other	788	784	-0.51
Total Parts	12,702	13,280	4.55
Total Service & Parts	21,900	22,700	3.65

SOURCE: NADA Industry Analysis Department

Employment and Payrolls

Dealerships are often one of the major employers in their local communities, however, the sales downturn of 1980-1982 forced many dealers to substantially reduce their employment levels. From a high of 859,500 persons in 1979, total franchised dealership employment has fallen 19% to 695,700 people.

The number and type of employees varies significantly among dealerships depending upon dealership characteristics such as size, location, primary make, and the distribution of sales among departments. It is estimated, however, that the total employment count of all dealerships in 1982 was distributed as follows:

New and used salespersons	137,750
Mechanics	191,300
Service and parts workers (other than mechanics)	194,100
Supervisors, general office workers and others	172,550
Total	695,700

The average dealer in 1982 employed 28 persons and had an annual payroll of $443,000. The annual payroll of all dealerships totaled 11.2 billion dollars and represented 8.6% of the total retail trade payroll in the nation.

Estimated Numbers of Employees of Franchised New Car Dealers

Annual Averages

Year	Total Number For All Dealers	Average Number Per Dealer
1972	779,500	26
1973	790,400	26
1974	759,700	25
1975	731,300	25
1976	756,700	26
1977	790,200	27
1978	851,800	29
1979	859,500	30
1980	759,300	28
1981	711,000	27
1982	695,700	28

SOURCE: NADA Industry Analysis Department

Estimated Number of Employees of Franchised New Car Dealers

1982 Averages by State

	Total Number For All Dealers	Average Number Per Dealer
Alabama	9,550	28
Alaska	860	34
Arizona	8,855	46
Arkansas	6,535	20
California	74,615	42
Colorado	11,075	39
Connecticut	10,085	28
Delaware	1,985	31
D.C.	675	75
Florida	35,610	50
Georgia	15,960	27
Hawaii	2,545	57
Idaho	3,570	21
Illinois	30,530	24
Indiana	15,790	24
Iowa	10,100	16
Kansas	8,765	20
Kentucky	9,170	25
Louisiana	14,390	38
Maine	4,040	21
Maryland	15,250	44
Massachusetts	18,535	32
Michigan	25,705	27
Minnesota	13,930	23
Mississippi	6,810	20
Missouri	14,410	22
Montana	3,505	18
Nebraska	5,840	18
Nevada	3,035	39
New Hampshire	4,360	27
New Jersey	19,935	27
New Mexico	4,850	33
New York	36,775	26
North Carolina	17,430	25
North Dakota	3,555	16
Ohio	31,235	27
Oklahoma	10,240	22
Oregon	9,265	30
Pennsylvania	37,150	23
Rhode Island	2,205	25
South Carolina	8,055	26
South Dakota	2,710	14
Tennessee	13,390	30
Texas	52,045	35
Utah	4,550	29
Vermont	2,180	19
Virginia	19,475	34
Washington	11,535	30
West Virginia	6,455	22
Wisconsin	14,425	18
Wyoming	2,155	22
Total U.S.	**695,700**	**28**

SOURCE: NADA Industry Analysis Department

Annual Payroll of Franchised New Car Dealerships

1982 Year by State

	Total of All Dealerships ($ Millions)	Average Per Dealership ($ Thousands)
Alabama	135	390
Alaska	20	810
Arizona	155	804
Arkansas	91	273
California	1,455	820
Colorado	194	683
Connecticut	162	458
Delaware	31	478
D.C.	11	1,265
Florida	626	875
Georgia	240	404
Hawaii	43	959
Idaho	52	309
Illinois	512	407
Indiana	234	359
Iowa	138	219
Kansas	130	290
Kentucky	125	338
Louisiana	219	585
Maine	54	277
Maryland	251	728
Massachusetts	283	491
Michigan	423	452
Minnesota	213	354
Mississippi	92	275
Missouri	228	348
Montana	48	244
Nebraska	80	243
Nevada	63	814
New Hampshire	65	400
New Jersey	346	469
New Mexico	67	449
New York	587	421
North Carolina	249	356
North Dakota	52	238
Ohio	471	404
Oklahoma	157	342
Oregon	145	465
Pennsylvania	532	332
Rhode Island	32	360
South Carolina	111	360
South Dakota	37	193
Tennessee	195	433
Texas	887	589
Utah	69	446
Vermont	30	266
Virginia	297	523
Washington	208	538
West Virginia	87	299
Wisconsin	212	271
Wyoming	36	357
Total U.S.	**11,180**	**443**

Average Weekly Earnings of Franchised New Car Dealer Employees in 1982

Alabama	272	Montana	262
Alaska	453	Nebraska	262
Arizona	337	Nevada	402
Arkansas	269	New Hampshire	286
California	375	New Jersey	334
Colorado	337	New Mexico	265
Connecticut	310	New York	307
Delaware	296	North Carolina	275
D.C.	324	North Dakota	279
Florida	338	Ohio	290
Georgia	289	Oklahoma	294
Hawaii	326	Oregon	302
Idaho	278	Pennsylvania	276
Illinois	323	Rhode Island	283
Indiana	285	South Carolina	265
Iowa	262	South Dakota	262
Kansas	286	Tennessee	280
Kentucky	262	Texas	328
Louisiana	293	Utah	292
Maine	255	Vermont	263
Maryland	317	Virginia	294
Massachusetts	293	Washington	346
Michigan	317	West Virginia	258
Minnesota	294	Wisconsin	283
Mississippi	261	Wyoming	318
Missouri	304	**Total U.S.**	**309**

SOURCE: NADA Industry Analysis Department

Annual Payroll of Franchised New Car Dealerships

Year	Total of all Dealerships (Billions of $)	Average Per Dealership (Thousands of $)
1973	7.39	246
1974	7.80	262
1975	8.15	277
1976	9.04	310
1977	10.30	355
1978	11.93	412
1979	12.21	428
1980	11.19	408
1981	11.08	424
1982	11.18	443

SOURCE: NADA Industry Analysis Department

Average Weekly Earnings of Dealership Employees

1973	$180	1978	$269
1974	$197	1979	$273
1975	$214	1980	$284
1976	$230	1981	$300
1977	$251	1982	$309

SOURCE: NADA Industry Analysis Department

Advertising and The Franchised Dealership

Advertising is just one of the many expenditures that franchised dealers make in their local communities. Being in a highly competitive industry, dealers must make heavy advertising expenditures in all types of media in order to extoll the virtues of their products and their particular dealership. In 1982, total advertising expenditures for all dealerships was $1.3 billion dollars, an increase of 4.3% from 1981.

Local Advertising by Franchised New Car Dealers
Estimated Totals Spent in 1982 by All Dealers

By Media Used

Newspaper (Classified)	$416 Million
Newspaper (Display)	361 Million
Radio	311 Million
TV	103 Million
Direct Mail	59 Million
Outdoor (Billboards, Signs)	27 Million
Programs (Theatre, Sports, School, etc.)	13 Million
Handouts or Handbills	6 Million
Display & Demonstrations	16 Million
Other	12 Million
Total	**$1,324 Million**

Local Advertising Franchised New Car Dealers
Estimated Totals Spent in 1982 by All Dealers

By Type of Advertising

New Vehicle	$649 Million
Used Vehicle	397 Million
Institutional	132 Million
Service	146 Million
Total	**$1,324 Million**

Local Advertising by Franchised New Car Dealers
Estimated Average Advertising Expenses per Dealer in 1982

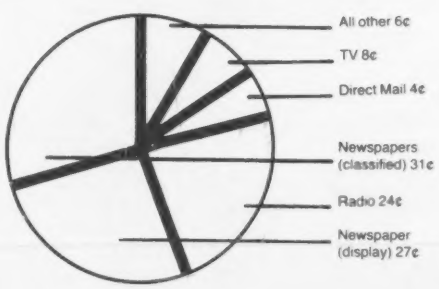
Dealers Classified by Number of New Vehicles Sold in 1982

By Media Used	Average of All Dealers	1-149	150-399	400-749	750 or More
Newspapers (Classfied)	$16,511	$3,620	$10,954	$25,402	$60,414
Newspapers (Display)	14,316	3,536	9,564	20,417	42,789
Radio	12,347	3,044	8,673	15,672	35,194
TV	4,081	510	2,113	9,204	31,955
Direct Mail	2,358	674	1,256	3,138	5,637
Outdoor (Billboards, Signs)	1,087	326	532	1,175	3,020
Programs (Theatre, Sports, Schools, etc.)	499	120	317	757	1,135
Handouts or Handbills	221	86	89	116	439
Display & Demonstrations	620	158	389	935	1,336
Other	476	246	247	464	1,098
Total	**$52,516**	**$12,230**	**$34,134**	**$77,280**	**$183,017**
Total Local Advertising Expenses As a % of Total Sales	0.92%	0.64%	0.77%	0.96%	1.08%
Total Local Advertising Expenses Per New Vehicle Sold	$128	$99	$115	$134	$140

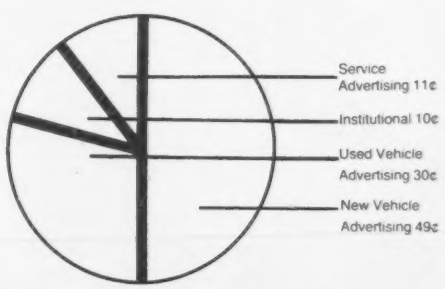
By Type of Advertising	Average of all Dealers	1-149	150-399	400-749	750 or More
New Vehicle	$25,733	$5,626	$16,384	$39,413	$96,999
Used Vehicle	15,755	3,669	10,582	23,184	51,245
Institutional	5,252	1,468	3,413	6,955	14,641
Service	5,776	1,467	3,755	7,728	20,132
Total	**$52,516**	**$12,320**	**$34,134**	**$77,280**	**$183,017**

SOURCE: NADA Industry Analysis Department

Where the Average Dealer Advertising Dollar Goes



How The Average Dealer Uses His Advertising Dollar



Consumer Credit

The availability and cost of financing is an important deterriment of new car sales. The chart below shows that although retail automotive finance rates rose significantly in recent years, they did not increase nearly as fast as the prime interest rate. As a result the recent downward movement in the prime rate is not bringing forth as large a decline in new car loan rates.

The captive finance companies of the automobile manufacturers have from time to time in recent years offered below market financing in order to stimulate the market. This has had two effects on the retail automotive finance market. First, the captive finance companies' share of retail financing has increased substantially. Second, the share of the market held by captive finance companies has shown great fluctuation because of the sporadic nature of the below market rate incentive programs.

Interest Rates

Average Finance Rate on New Car Loans

	At Finance Companies	At Banks	Average Prime Rate
1973	12.1%	10.2%	8.0%
1974	12.6%	11.0%	10.8%
1975	13.1%	11.4%	7.9%
1976	13.2%	11.1%	6.8%
1977	13.1%	10.9%	6.8%
1978	13.1%	11.0%	9.1%
1979	13.5%	12.0%	12.7%
1980	14.8%	14.3%	15.3%
1981	15.9%	16.5%	18.9%
1982	15.8%	16.8%	14.9%

Note: Bank series is for direct 36 month loans. Finance companies series is an average of all loans made.

Source: Federal Reserve Board

Consumer Installment Credit Outstanding
At End of Year (Billions of Dollars)

Year	Total ($ Billions)	Auto Paper ($ Billions)	Auto Paper as Percent of Total
1973	155.1	53.8	34.7%
1974	164.6	54.3	33.0%
1975	172.4	57.2	33.2%
1976	194.0	67.7	34.9%
1977	230.6	82.9	36.0%
1978	273.6	101.6	37.1%
1979	312.0	116.4	37.3%
1980	313.5	116.8	37.3%
1981	333.4	126.4	37.9%
1982	343.4	130.5	38.0%

Source: Board of Governors of the Federal Reserve System

Automobile Paper Extension By Type of Lender
(Percent of Total—Annual Averages)

	Bank Indirect	Bank Direct	Bank Total	Credit Union	Finance Company
1970	38.1	23.5	61.6	14.1	24.4
1971	36.3	25.9	62.1	14.1	23.8
1972	35.8	25.1	60.9	17.9	21.2
1973	37.2	25.3	62.5	18.5	19.0
1974	35.3	24.7	60.0	21.5	18.5
1975	31.6	25.8	57.4	24.2	18.4
1976	32.3	27.2	59.4	23.0	17.5
1977	33.3	28.0	61.3	21.9	16.8
1978	33.0	26.6	59.6	21.9	18.5
1979	30.9	24.5	55.4	19.8	24.8
1980	26.8	22.1	48.9	18.3	32.8
1981	26.3	19.0	45.3	19.1	35.6
1982	28.0	18.9	47.0	19.3	33.7

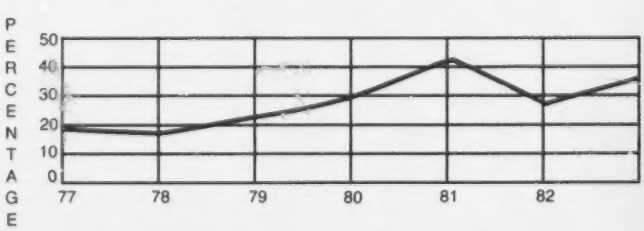
Source: Federal Reserve Board

Automobile Paper Extensions by Type of Lender
(Percent of Total—Monthly Averages)

	Bank Indirect	Bank Direct	Bank Total	Credit Union	Finance Company
1/81	17.60	19.20	36.80	21.70	41.50
2/81	22.50	19.50	42.00	19.60	38.40
3/81	27.20	20.10	47.30	18.20	34.40
4/81	27.90	21.60	49.50	21.30	29.20
5/81	28.10	21.90	50.00	21.80	28.20
6/81	28.50	21.10	49.60	20.70	29.80
7/81	28.10	18.50	46.60	20.60	32.80
8/81	23.20	15.80	39.10	18.30	42.60
9/81	21.50	14.30	35.80	14.90	49.40
10/81	26.25	17.32	43.56	17.46	38.97
11/81	31.17	18.12	49.29	16.62	34.09
12/81	33.85	20.25	54.11	18.29	27.60
1/82	30.70	18.80	49.50	22.80	27.80
2/82	25.70	21.10	46.90	18.70	34.40
3/82	26.10	21.10	47.20	19.80	33.00
4/82	26.40	18.00	44.50	19.60	36.00
5/82	23.20	16.20	39.40	17.60	43.10
6/82	24.90	16.70	41.60	18.30	40.10
7/82	31.70	18.60	50.30	18.90	30.80
8/82	27.50	21.00	48.60	21.10	30.40
9/82	27.50	21.50	49.10	20.90	30.00
10/82	24.94	18.96	53.90	19.00	27.10
11/82	29.20	17.23	46.43	17.29	36.28
12/82	28.53	17.97	46.50	18.12	35.38

Source: Federal Reserve Board

Percent of New Automobile Paper Extended by Finance Companies



Vehicles in Operation and Scrappage

Over the past ten years, the total number of motor vehicles in operation has increased by 37%. Trucks and buses in operation have increased by 64% while automobiles have increased by 31%. The recent stagnation in the economy and the long term decline in the population growth rate, have resulted in a slowing of the rate of increase for vehicles in operation. The compound annual growth rate of automobiles in operation for various time periods is presented below.

1960-1965	3.7%
1965-1970	4.1%
1970-1975	4.0%
1975-1980	2.8%
1980-1983	1.5%

Vehicles in Operation as of January 1

	Automobiles	Trucks & Buses	Total
1973	90,282,000	20,563,000	110,845,000
1974	96,098,000	22,330,000	118,428,000
1975	98,356,000	23,788,000	122,144,000
1976	100,326,000	25,132,000	125,458,000
1977	101,338,000	26,506,000	127,844,000
1978	105,504,000	28,153,000	133,657,000
1979	109,800,000	30,322,000	140,122,000
1980	112,863,000	31,635,000	144,498,000
1981	114,921,000	32,761,000	147,682,000
1982	116,978,000	33,138,000	150,116,000
1983	118,175,000	33,784,000	151,959,000

Source: NADA Industry Analysis Department Department

Cars and Population

Year	Estimated Population Residing in U.S. (At End of Year) (Millions)	Estimated Passenger Cars in Operation (At End of Year) (Millions)	Persons Per Car
1910	92.6	.5	202
1920	106.8	8.0	13
1930	123.4	20.4	6.0
1940	133.3	25.8	5.2
1950	153.6	37.6	4.1
1960	182.2	57.6	3.2
1970	206.0	82.9	2.5
1975	214.3	100.3	2.1
1980	230.0	114.9	2.0
1981	232.0	117.0	2.0
1982	234.2	118.2	2.0
1983	236.4	120.1	2.0
1985	240.8	125.5	1.9
1990	251.4	140.3	1.8
1995	260.4	154.9	1.7
2000	268.0	169.4	1.6
2005	275.4	185.2	1.5

Source: U.S. Bureau of the Census and NADA Industry Analysis Department

The scrappage tables below confirm what the vehicles in operation statistics indicate. Namely, that the new vehicle market has increasingly become more of a replacement market and less of a growth market.

Estimated Auto Scrappage

Year	Estimated Cars Scrapped During Year	Scrappage as a % of in Operation at Beginning of Year	Scrappage as a % of New Car Registrations
1973	5,665,000	6.3	49.3
1974	6,542,000	6.8	74.3
1975	6,387,000	6.5	76.4
1976	6,750,000	6.7	68.4
1977	6,784,000	6.7	62.0
1978	6,775,000	6.4	61.2
1979	7,385,000	6.7	70.7
1980	6,803,000	6.0	76.8
1981	6,483,000	5.6	75.9
1982	6,646,000	5.7	84.7
Average '73-'82	6,622,000	6.3	70.0

Source: NADA Industry Analysis Department

Estimated Truck and Bus Scrappage

Year	Estimated Number of Trucks & Buses Scrapped During Year	Scrappage as a % of Total Trucks Buses in Operation at Beginning of Year	Scrappage as a % of New Truck & Bus Registrations
1973	1,329,000	6.5	42.9
1974	1,257,000	5.6	46.3
1975	1,106,000	4.6	45.1
1976	1,751,000	7.0	56.0
1977	1,940,000	7.3	54.1
1978	1,881,000	6.7	46.4
1979	1,920,000	6.3	54.1
1980	1,405,000	4.4	55.5
1981	1,857,000	5.7	83.1
1982	1,838,000	5.5	74.0
Average '73-'82	1,628,000	6.0	55.8

Source: NADA Industry Analysis Department

Total Registrations

Total U.S. Motor Vehicle Registrations in 1982

	Autos	Trucks and Buses	Total Vehicles*		Autos	Trucks and Buses	Total Vehicles*
Alabama	2,248,000	886,000	3,134,000	Montana	431,000	326,000	757,000
Alaska	188,000	116,000	304,000	Nebraska	789,000	405,000	1,194,000
Arizona	1,603,000	635,000	2,238,000	Nevada	528,000	200,000	728,000
Arkansas	1,122,000	591,000	1,713,000	New Hampshire	661,000	112,000	773,000
California	13,362,000	3,481,000	16,843,000	New Jersey	4,176,000	543,000	4,719,000
Colorado	1,863,000	668,000	2,531,000	New Mexico	687,000	361,000	1,048,000
Connecticut	1,945,000	153,000	2,098,000	New York	7,153,000	1,034,000	8,187,000
Delaware	330,000	80,000	410,000	North Carolina	3,447,000	1,132,000	4,579,000
Dist. Of Col.	264,000	20,000	284,000	North Dakota	381,000	271,000	652,000
Florida	6,586,000	1,533,000	8,119,000	Ohio	6,389,000	1,332,000	7,721,000
Georgia	2,968,000	914,000	3,882,000	Oklahoma	1,790,000	1,017,000	2,807,000
Hawaii	534,000	58,000	592,000	Oregon	1,551,000	541,000	2,092,000
Idaho	533,000	336,000	869,000	Pennsylvania	6,017,000	1,100,000	7,117,000
Illinois	6,424,000	1,278,000	7,702,000	Rhode Island	527,000	77,000	604,000
Indiana	2,885,000	1,094,000	3,979,000	South Carolina	1,504,000	479,000	1,983,000
Iowa	1,713,000	655,000	2,368,000	South Dakota	379,000	235,000	614,000
Kansas	1,386,000	650,000	2,036,000	Tennessee	2,911,000	659,000	3,570,000
Kentucky	1,805,000	795,000	2,600,000	Texas	8,002,000	3,431,000	11,433,000
Louisiana	1,991,000	868,000	2,859,000	Utah	714,000	333,000	1,047,000
Maine	522,000	195,000	717,000	Vermont	275,000	81,000	356,000
Maryland	2,413,000	483,000	2,896,000	Virginia	3,297,000	627,000	3,924,000
Massachusetts	3,298,000	470,000	3,768,000	Washington	2,405,000	937,000	3,342,000
Michigan	4,945,000	1,143,000	6,088,000	West Virginia	985,000	405,000	1,390,000
Minnesota	2,338,000	847,000	3,185,000	Wisconsin	2,563,000	564,000	3,127,000
Mississippi	1,200,000	384,000	1,584,000	Wyoming	305,000	199,000	504,000
Missouri	2,488,000	888,000	3,376,000	TOTAL	124,821,000	35,622,000	160,443,000

*Total Vehicles Excludes Motorcycles (6,021,000)
Source: Department of Transportation, Federal Highway Administration

Total U.S. Motor Vehicle Registrations

	Autos	Trucks & Buses	Total Vehicles
1975	106,713,000	26,238,000	132,951,000
1976	110,189,000	28,257,000	138,446,000
1977	112,288,000	30,093,000	142,381,000
1978	116,575,000	32,203,000	148,778,000
1979	120,248,000	33,870,000	154,118,000
1980	121,724,000	34,166,000	155,890,000
1981	123,462,000	34,995,000	158,457,000
1982	124,821,000	35,622,000	160,443,000

The Franchised New Truck Dealer

The importance of the trucking industry to the national economy has long been recognized. Revenues generated by highway freight transportation account for about 7% of Gross National Product and pay the salary of one in every ten people employed in the U.S. The economic importance of trucks, however, extends far beyond highway freight transportation. Thousands more jobs and billions more dollars are generated by the manufacture, sale, and service of the medium and heavy-duty trucks which carry the freight.

ATD represents those dealers that are responsible for the sale and service of medium and heavy-duty trucks. While they do sell some light-duty trucks, the data here pertain primarily to the medium and heavy-duty truck market. There are an estimated 2,200 such dealerships, and they are represented in Washington and in dealings with their manufacturers by the American Truck Dealers Division (ATD) of NADA.

As shown in the tables that follow, dealerships that are primarily engaged in the sale and service of medium and heavy-duty trucks differ quite substantially from franchised new car dealerships. For example, truck dealerships obtain 27% of their total sales dollars from the service and parts department, whereas new car dealerships receive only 16% their sales dollars from the "backshop".

New Truck Sales

Trucks are classified by gross vehicle weight into eight categories, as listed below.

1	0- 6,000 lbs.
2	6,001-10,000 lbs.
3	10,001-14,000 lbs.
4	14,001-16,000 lbs.
5	16,001-19,500 lbs.
6	19,501-26,000 lbs.
7	26,001-33,000 lbs.
8	33,001 lbs. and over

Groups 1,2, and 3 are light-duty trucks, groups 4, 5, and 6 are medium-duty trucks, and group 7 and 8 are heavy-duty trucks. In 1982, approximately 2,200 truck dealers sold 186,139 medium and heavy-duty trucks, 19% less than in 1981.

New Truck Sales by Gross Vehicle Weight

	1982	1981	% Change 1981-1982
Class 1	1,101,625	895,947	+23.0%
Class 2	961,063	849,949	+13.1%
Class 3	1,052	748	+42.0%
Total Light Duty	2,063,740	1,746,644	+18.2%
Class 4	9	12	-25.0%
Class 5	1,434	1,916	-25.2%
Class 6	44,199	71,993	-38.6%
Class 7	62,501	51,402	+21.6%
Class 8	75,152	100,334	-25.1%
Total Medium & Heavy Duty	183,295	225,657	-18.8%
Total Domestics	2,247,045	1,972,301	+13.9%
Non-Captive Imports*	312,173	288,024	+ 8.4%
GRAND TOTAL	2,559,218	2,260,325	+13.2%

Source: Ward's Automotive Reports
*Includes trucks of various weight classes.

Truck Inventories

Domestic New Truck Inventories-1982
(As of end of each month)

	Light-Duty		Medium-Duty		Heavy-Duty		Total Trucks	
	Number	Days Supply	Number	Days Supply	Number	Days Supply	Number	Days Supply
January	482,613	83	11,316	97	43,153	86	537,082	83
February	462,752	65	11,846	102	45,134	97	519,732	67
March	447,612	52	12,174	90	46,178	91	505,964	55
April	479,266	74	12,629	86	43,818	77	535,713	74
May	486,714	59	13,924	79	44,266	90	544,904	61
June	540,127	78	13,904	82	43,375	92	597,406	79
July	552,089	93	11,444	59	39,459	90	602,992	92
August	571,927	107	11,037	77	38,116	99	621,080	105
September	559,031	79	9,924	60	34,818	83	603,773	79
October	571,378	106	9,685	72	32,661	85	613,724	104
November	521,279	70	9,980	86	33,177	107	564,436	72
December	497,017	80	10,577	84	32,161	78	539,755	80
1981 Average	487,525	87	21,789	94	41,167	86	550,481	87
1982 Average	514,317	79	11,537	81	39,693	89	565,547	79

Source: Ward's Automotive Reports
Days Supply is calculated by dividing inventories by the daily selling rate.

Truck Dealership Profile

Total Dollar and New Unit Sales of Medium and Heavy Duty Truck Dealerships

	1982	1981	% Change 1981-1982
Total Dollar Sales	13,317,593,000	15,358,975,000	-13.3%
New Vehicle Dept.	7,897,333,000	9,322,898,000	-15.3%
Used Vehicle Dept.	1,744,605,000	1,827,718,000	- 4.5%
Service & Parts Dept.	3,675,655,000	4,208,359,000	-12.7%
Total New Truck Sales	233,601	274,385	-14.9%
Light Duty	47,462	44,674	+ 6.2%
Medium Duty	47,466	76,758	-38.2%
Heavy Duty	138,673	152,953	- 9.3%

Source: NADA Industry Analysis Department

American Truck Dealers Division Membership by Primary Make (As of April, 1983)

International Harvester	392
Chevrolet	275
GMC	194
Mack	105
Freightliner	45
Kenworth	44
Peterbilt	34
White	88
Ford	243
Other	62
TOTAL	1,482

Source: NADA American Truck Dealers Division

American Truck Dealers Division Membership By State (as of April, 1983)

Alabama	29	Nebraska	23
Alaska	2	Nevada	8
Arizona	14	New Hampshire	9
Arkansas	20	New Jersey	46
N. California	29	New Mexico	5
S. California	34	New York	55
Colorado	21	New York City area	16
Connecticut	22	North Carolina	47
Delaware	7	North Dakota	21
District of Columbia	1	Ohio	80
Florida	36	Cleveland area	2
Georgia	20	Oklahoma	28
Hawaii	2	Oregon	20
Idaho	16	E. Pennsylvania	61
Illinois	37	W. Pennsylvania	48
Chicago area	13	Rhode Island	5
Indiana	52	South Carolina	10
Iowa	25	South Dakota	13
Kansas	28	Tennessee	31
Kentucky	36	N. Texas	40
Louisiana	29	S. Texas	63
Maine	16	Utah	7
Maryland	26	Vermont	7
Massachusetts	26	Virginia	40
Michigan	37	Washington	17
Detroit area	13	W. Virginia	23
Minnesota	32	Wisconsin	59
Mississippi	17	Wyoming	6
Missouri	39	Canada	1
Montana	12	**TOTAL**	**1,482**

SOURCE: NADA American Truck Dealers Division

1982 Officers of the National Automobile Dealers Association

William C. Turnbull
President

Joseph A. Barry
Treasurer

James P. Jennings
First Vice President

George W. Lyles
Immediate Past President

Jerry Hayes
Secretary

Frank E. McCarthy
Executive Vice President

1982 Industry Highlights

*Number of franchised new car dealerships (year end)	24,725
*Total dollar sales	
all dealerships	$143.9 billion
average dealership	$5,708,280
*Number of new cars sold	
all dealerships	7,978,872
average dealership	316
*Total employment	
all dealerships	695,700
average dealership	28
*Total annual payroll	
all dealerships	$11.2 billion
average dealership	$443,000
*Total local advertising expenditures	
all dealerships	$1.3 billion
average dealership	$52,516
*Number of vehicles in operation (year end)	151,959,000
*Number of medium- and heavy-duty truck dealerships	2,300
*Number of medium- and heavy-duty trucks sold	186,139

NATIONAL AUTOMOBILE DEALERS ASSOCIATION

NADA is the national representative for its members to federal legislators, regulators, and policy-makers; international and domestic vehicle manufacturers; the media; and consumers.

The association provides its members with marketing services and counsel on industry relations matters. It provides legal representation for dealers when called upon and operates a number of training services for dealers and their employees.

NADA is the largest retail consulting and service organization in the automotive industry. It offers members specialized services aimed toward improving dealership operations, sales penetration, and customer satisfaction. These services include:

20 Groups—forums for same-make dealers meeting regularly to solve mutual problems and to exchange ideas and information.

Sales Trak—a customized management program helping dealers improve new and used vehicle sales productivity.

Service Systems—highlights the profit potential of the dealership service department. Results of this program are on-time jobs and customer satisfaction.

Conventions—the 66th Annual NADA Convention and Exposition was held February 12-15, 1983 in Las Vegas, Nevada with 14,000 attendees and 200 exhibitors. The 1984 convention will be held in Dallas, Texas, February 4-8. The 20th Annual ATD Convention and Exposition was held April 9-12, 1983 in Boston, Massachusetts. The 1984 convention will be held in Phoenix, Arizona, April 7-10.

Dealer Candidate Academy—a twelve month apprenticeship program helping dealers train their successors to profitably manage an automobile or truck dealership.

Management Education—sponsors workshops at national, state, and local conventions. Arranges periodic regional management seminars for dealers and managers. Publishes an array of management aids.

Official Used Car Guide—provides wholesale, retail, and loan values on all models for dealers, lending institutions, insurance companies, and others. Monthly circulation of over 350,000 with nine regional editions.

NADA Retirement Trust (NADART)—provides dealers and their employees with pension and profit-sharing plans.

National Automobile Dealers Insurance Trust (NADIT)—provides group insurance plans for automobile dealers, their management staff, and their families.

NADA Automobility Foundation—focuses attention on the value of the motor vehicle in society through media and public service programs.

NADA Charitable Foundation—a non-profit organization that provides financial support to deserving health and education activities.

Automotive Consumer Action Program (AUTOCAP)—voluntarily sponsored by 41 state and local dealer associations. The program assists in resolving dealer-consumer automotive complaints. 17 manufacturers currently endorse AUTOCAP.

American Truck Dealers (ATD)—represents the specialized interests of medium and heavy-duty truck dealer members. ATD members share in the programs, services, and benefits of NADA. A special committee of truck dealers, elected by truck dealers, supervises the activities of ATD.

Automotive Trade Association Managers (ATAM)—comprised of 103 state and local automobile trade associations in the U.S., Canada, and Mexico. An ATAM representative sits on every NADA committee.